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The Commonwealth of Massachusetts: *Auditor's dept.*

DEPARTMENT OF THE AUDITOR

ANNUAL REPORT

FOR THE

Year Ending November 30, 1940



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DEPARTMENT OF THE AUDITOR
STATE HOUSE, BOSTON
ANNUAL REPORT

To the Honorable Senate and House of Representatives:

I have the honor to submit my annual report for the year ended November 30, 1940, as required by chapter 11 of the Tercentenary Edition of the General Laws, which chapter also states the powers and duties of the Department of the State Auditor.

I made certain recommendations in my annual report for the year ended November 30, 1939 which I believed would improve the efficiency of this department. I wish again to submit these recommendations for your consideration.

Annual Audits Required.—Section 12 of chapter 11 of the General Laws provides that "The department of the state auditor shall annually make a careful audit of the accounts of all departments, offices, commissions, institutions and activities of the commonwealth."

Insufficient Personnel.—In reference to the above, I find that the Department of the State Auditor is not adequately staffed to carry out the said requirements and I recommend that the Legislature consider this matter and make such provisions as may be necessary to enable the department to properly carry out its statutory duty.

With further reference to this matter I find that the total number of persons in this department including the State Auditor in 1929 was 21 and in 1939, or 10 years later, there were only 24. During these years many new state agencies have been established. Some of these are Unemployment Compensation Commission, Racing Commission, Alcoholic Beverage Control Commission, Board of Registration of Hairdressers and Emergency Public Works Commission. The older departments themselves have grown and auditing them has become a longer task. While the scope of the audits has been materially enlarged, the number of permanent accountants has been increased only by one. Since most of the additional work placed on this department over the last few years has been of the more exacting type, the additional employees needed should be accountants of broad experience. Temporary help is now used to meet this need and temporary help is not always satisfactory. It is restricted in usefulness.

Unemployment Compensation Commission Audit.—I desire to call especial attention to this Commission which was created by chapter 479 of the Acts of 1935.

An opinion was given us by the Attorney General in which he states, "I am of the opinion that it is your duty to audit the accounts of the Unemployment Compensation Commission."

In this opinion the Attorney General also states, "I am of the opinion, however, that you have no right to inspect and examine the original returns filed by employers with the commission."

Without this authority it would probably be impossible to make a careful examination of the accounts of this Commission, even though adequate personnel were provided.

I recommend that the Legislature consider this matter and also consider the possibility of getting Federal Funds with which to make the audit.

Also, I desire to state that the work of the department is severely handicapped because of insufficient office space and the lack of any proper storage space for the audit working papers.

Audit Reports.—Subsequent to each audit a copy of the detailed report on the examination has been sent to His Excellency, the Governor, the President of the Senate, the Speaker of the House of Representatives, the Chairman of the Commission on Administration and Finance, the State Comptroller, the head of the department or institution concerned and the State Library, so that the audit reports are now available in the State Library for public inspection by interested persons and remain a permanent record.

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Contracts.—In my previous annual report I mentioned that a policy new to the department had been established, namely, a careful examination of all contracts awarded by the Commonwealth. This policy has been continued during the 1940 fiscal year. I desire to call your attention especially to the fact, that for I believe the first time an independent study and review of the contracts awarded by the Department of Public Works has been made and I have issued an exhaustive report on this examination.

Hurricane and Flood Appropriations.—During my administration I have reviewed the transactions, including contracts, under the appropriations granted by the special session of the 1938 legislature for repair of damages caused by hurricane and floods of September 21, 1938. This work has been completed and the reports filed.

The Legislature appropriated approximately \$20,000,000.00 for the purpose for the replacement and repair of damage caused by the hurricane. The auditing of expenditures under this appropriation was incurred.

The work of hurricane auditing was added to an already overburdened routine and conflicted in many instances with a program for the customary audits made annually by this department. My first term in this office accordingly represents the greatest amount of audit work in the history of the Auditor's Department.

Since filing my last annual report, the following audits have been made:

AUDITS FOR 1940 FISCAL YEAR

	From	To
Governor and Council:		
Alcoholic Beverages Control Commission.....	July 17, 1939	April 11, 1940
Art Commission for the Commonwealth.....	Feb. 3, 1939	Sept. 20, 1940
Ballot Law Commission.....	Feb. 3, 1939	Sept. 20, 1940
Commissioners on Uniform State Laws.....	Feb. 3, 1939	Sept. 20, 1940
Commission on Administration and Finance.....	Dec. 1, 1938	Nov. 30, 1939
Public Bequest Commission.....	Feb. 3, 1939	Sept. 18, 1940
State Library.....	Feb. 9, 1939	Feb. 20, 1940
State Planning Board.....	Feb. 7, 1939	Mar. 15, 1940
State Superintendent of Buildings.....	Sept. 7, 1939	Oct. 8, 1940
Legislative Department:		
Sergeant-At-Arms.....	April 27, 1939	May 28, 1940
Clerk of the Supreme Judicial Court of the Commonwealth.....	May 15, 1939	Oct. 8, 1940
Attorney General.....	Feb. 21, 1939	April 30, 1940
Secretary of the Commonwealth.....	Oct. 18, 1939	Oct. 29, 1940
Commission on Interstate Co-operation.....	Oct. 18, 1939	Oct. 29, 1940
Treasurer and Receiver General.....	Dec. 1, 1938	Nov. 30, 1939
Emergency Finance Board.....	Dec. 1, 1938	Nov. 30, 1939
Emergency Public Works Commission.....	Dec. 1, 1938	Nov. 30, 1939
State Board of Retirement.....	Jan. 1, 1939	Dec. 31, 1939
Department of Agriculture.....	Dec. 28, 1938	April 22, 1940
Division of Livestock Disease Control.....	Mar. 20, 1939	Feb. 12, 1940
Milk Control Board.....	April 3, 1939	April 26, 1940
Department of Conservation:		
Division of Fisheries and Game.....	Feb. 17, 1939	July 18, 1940
Division of Forestry.....	Feb. 13, 1939	July 18, 1940
Timber Salvage Commission.....	April 11, 1939	July 18, 1940
Department of Banking and Insurance:		
Division of Banks.....	Dec. 15, 1938	May 1, 1940
Division of Insurance.....	Mar. 1, 1939	April 1, 1940
Supervisor of Loan Agencies.....	Dec. 15, 1938	Mar. 29, 1940
Division of Savings Bank Life Insurance.....	Aug. 1, 1939	Oct. 1, 1940
Division of Liquidations.....	Sept. 11, 1939	June 5, 1940
Department of Corporations and Taxation:		
General Department.....	Dec. 1, 1938	Nov. 30, 1939
Appellate Tax Board.....	Oct. 30, 1939	Oct. 9, 1940
Division of Accounts.....	June 1, 1939	Oct. 2, 1940
Department of Education:		
General Department.....	June 22, 1939	May 20, 1940
Teachers' Retirement Board.....	Jan. 1, 1939	Dec. 31, 1939
Division of the Blind.....	Dec. 29, 1938	Dec. 26, 1939
Massachusetts Nautical School.....	April 5, 1939	Mar. 28, 1940
State Teachers College at Bridgewater.....	Sept. 8, 1939	Aug. 13, 1940
State Teachers College at Fitchburg.....	Sept. 13, 1939	Aug. 6, 1940
State Teachers College at Framingham.....	July 21, 1939	July 16, 1940

State Teachers College at Hyannis.....	May 10, 1939	Aug. 7, 1940
State Teachers College at Lowell.....	Aug. 9, 1939	June 21, 1940
State Teachers College at North Adams.....	June 26, 1939	July 1, 1940
State Teachers College at Salem.....	Aug. 28, 1939	Nov. 12, 1940
State Teachers College at Westfield.....	July 18, 1939	July 24, 1940
State Teachers College at Worcester.....	July 12, 1939	Sept. 10, 1940
Massachusetts School of Art.....	July 12, 1939	June 27, 1940
Massachusetts State College.....	May 1, 1939	May 31, 1940
Bradford Durfee Textile School.....	June 20, 1939	Jan. 9, 1940
Lowell Textile Institute.....	Aug. 28, 1939	July 15, 1940
New Bedford Textile School.....	June 28, 1939	Jan. 22, 1940
Department of Civil Service and Registration:		
Board of Registration of Barbers.....	July 13, 1939	June 21, 1940
Board of Registration of Certified Public Accountants.....	April 25, 1939	Oct. 17, 1940
Board of Registration in Chiropody (Podiatry).....	April 20, 1939	Sept. 3, 1940
Board of Dental Examiners.....	April 20, 1939	Sept. 3, 1940
State Examiners of Electricians.....	April 18, 1939	April 18, 1940
Board of Registration in Embalming and Funeral Directing.....	April 20, 1939	Sept. 3, 1940
Board of Registration of Hairdressers.....	Sept. 1, 1939	June 10, 1940
Board of Registration in Medicine.....	May 24, 1939	Oct. 24, 1940
Board of Registration of Nurses.....	May 24, 1939	Oct. 24, 1940
Board of Registration in Optometry.....	April 20, 1939	Sept. 3, 1940
Board of Registration in Pharmacy.....	June 26, 1939	May 9, 1940
Board of Registration of Plumbers.....	Dec. 20, 1938	July 24, 1940
Board of Registration in Veterinary Medicine.....	July 28, 1939	Sept. 14, 1940
Department of Labor and Industries:		
Labor Relations Commission.....	Oct. 24, 1939	Oct. 23, 1940
Department of Mental Health:		
Belchertown State School.....	May 8, 1939	June 13, 1940
Boston Psychopathic Hospital.....	Oct. 25, 1939	June 19, 1940
Boston State Hospital.....	May 31, 1939	May 20, 1940
Medfield State Hospital.....	Mar. 23, 1939	May 1, 1940
Monson State Hospital.....	April 25, 1939	May 28, 1940
Northampton State Hospital.....	April 5, 1939	July 23, 1940
Wrentham State School.....	June 13, 1939	April 22, 1940
Department of Correction:		
General Department.....	May 16, 1939	Sept. 3, 1940
Massachusetts Reformatory.....	Jan. 24, 1939	Mar. 26, 1940
Reformatory for Women.....	Jan. 17, 1939	Mar. 19, 1940
State Prison.....	Jan. 20, 1939	Feb. 8, 1940
State Prison Colony.....	Mar. 31, 1939	Feb. 14, 1940
Department of Public Welfare:		
General Department.....	May 1, 1939	July 1, 1940
Department of Public Health:		
North Reading State Sanatorium.....	April 13, 1939	April 16, 1940
Westfield State Sanatorium.....	May 9, 1939	June 25, 1940
Department of Public Works:		
General Department, Contracts, including contracts under hurricane appropriation.....	May 2, 1938	Mar. 1, 1940
Registry of Motor Vehicles.....	Mar. 7, 1939	Mar. 11, 1940
Department of Public Utilities.....	Feb. 8, 1939	June 25, 1940
Metropolitan District Commission:		
General Department.....	Dec. 1, 1938	Mar. 1, 1940
Division of Metropolitan Planning.....	Feb. 9, 1939	April 5, 1940
Metropolitan District Water Supply Commission.....	Mar. 16, 1939	May 1, 1940
Metropolitan District Sewer Construction Commission.....	As of	April 27, 1940

Respectfully submitted,

RUSSELL A. WOOD,
Auditor of the Commonwealth.